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**08 C 1373**

**JUDGE GOTTSCHALL  
MAGISTRATE JUDGE COLE**

February 27, 2008

Gregg I. Minkow  
Hinshaw & Culbertson LLP  
222 N. LaSalle Street, Suite 300  
Chicago, IL 60601-1081

Re: Gordon v. Larson et al., Case No. 08CH04859

Dear Mr. Minkow:

We represent the Defendants in the above-referenced matter. We are in receipt of the Complaint filed with the Circuit Court of Cook County. This letter is in reference to Count IV of that Complaint.

In Count IV, Plaintiff alleges conversion of a certain piece of equipment known as "Game Ready." Plaintiff has never before claimed, until the initiation of this action, that GL Rehabilitation Services, Ltd. ("GL Rehabilitation") did not own Game Ready or that Plaintiff expected to receive it back after the stock purchase transaction. Prior to the Closing, Plaintiff never asked for the Game Ready and Defendants have never refused any request for its return. According to the terms of the Stock Purchase Agreement ("Agreement"), Game Ready is an asset of GL Rehabilitation. The Agreement in paragraph 4 identifies the items of property which Seller was entitled to retain. Game Ready was not listed as one of such assets excluded from the sale. In paragraph 13, Carol Gordon warranted that she had no knowledge or notice of any claims against GL Rehabilitation, which obviously was not true if Gordon believed that GL Rehabilitation had possession of property belonging to her. Finally, Gordon signed a Release at Closing, releasing GL Rehabilitation from "any and all claims and liabilities of any nature." The Release covers any claim of conversion against GL Rehabilitation.

GL Rehabilitation is not a party to the Stock Purchase Agreement which is the subject of the above-referenced action. GL Rehabilitation was named in the Cook County action as a sham, "solely for the purpose of defeating federal diversity jurisdiction" and preventing removal of the case to federal court. Schwartz v. State Farm Mut. Auto. Ins. Co., 174 F.3d 875, 878 (7<sup>th</sup> Cir. 1999).



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In order to eliminate your sham conversion claim against GL Rehabilitation, the Defendants will allow Ms. Gordon to take possession of Game Ready. You may make arrangements to pick up Game Ready at any time, provided that you give us prior notice. Alternatively, we will have Game Ready delivered directly to you. Let us know if you want it delivered or if you want to pick it up. We also demand that GL Rehabilitation be dismissed from the lawsuit. If you refuse, you will be subject to sanctions for your frivolous claim.

Very truly yours,

STROUD, WILLINK & HOWARD, LLC

By:



Susan B. Parsons

SBP/neb

cc: Ilene Larson  
Jeanne Shilts